## Senate File 175 - Introduced

SENATE FILE 175
BY GARRETT

## A BILL FOR

- 1 An Act relating to the use of moneys in the Iowa economic
- 2 emergency fund, and including effective date provisions.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. Section 8.55, subsection 2, unnumbered paragraph
- 2 1, Code 2021, is amended to read as follows:
- 3 The maximum balance of the fund is the amount equal to two
- 4 and one-half percent of the adjusted revenue estimate for the
- 5 fiscal year. If the amount of moneys in the Iowa economic
- 6 emergency fund is equal to exceeds the maximum balance, moneys
- 7 in excess of this amount shall be distributed as follows:
- 8 Sec. 2. Section 8.55, subsection 3, paragraph b, Code 2021,
- 9 is amended to read as follows:
- 10 b. Moneys in the fund may be used for cash flow purposes
- 11 during a fiscal year upon executive order by the governor,
- 12 provided that any moneys so allocated are returned to the fund
- 13 by the end of that fiscal year.
- 14 Sec. 3. Section 8.55, subsection 3, paragraph c, Code 2021,
- 15 is amended by striking the paragraph and inserting in lieu
- 16 thereof the following:
- 17 c. Moneys in the fund may be used to prevent or reduce an
- 18 overdraft on or deficit in the general fund of the state, upon
- 19 executive order by the governor, in an amount not to exceed one
- 20 percent of the adjusted revenue estimate for the fiscal year
- 21 for which the moneys are spent. Moneys in the fund shall not
- 22 be used for this purpose until the governor issues an official
- 23 proclamation and notifies the legislative fiscal committee and
- 24 the legislative services agency that the balance of the general
- 25 fund is negative and that an appropriation made pursuant to
- 26 this paragraph brings the general fund into balance or reduces
- 27 the deficit in the general fund.
- Sec. 4. Section 8.55, subsection 3, paragraph e, Code 2021,
- 29 is amended to read as follows:
- 30 e. If an appropriation is made moneys are spent pursuant to
- 31 paragraph "c'' for a fiscal year, there is appropriated from the
- 32 general fund of the state to the Iowa economic emergency fund
- 33 for the following fiscal year, the amount of the appropriation
- 34 made spent pursuant to paragraph "c", that has not already been
- 35 returned to the Iowa economic emergency fund.

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- 1 Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate
- 2 importance, takes effect upon enactment.
- 3 EXPLANATION
- 4 The inclusion of this explanation does not constitute agreement with
- 5 the explanation's substance by the members of the general assembly.
- 6 This bill relates to the use of moneys in the Iowa economic 7 emergency fund.
- 8 Currently, moneys in the Iowa economic emergency fund may
- 9 be used for cash flow purposes, provided that any moneys so
- 10 allocated are returned to the fund by the end of that fiscal
- 11 year. The bill requires an executive order by the governor in
- 12 order to use the moneys in the fund for cash flow purposes.
- Currently, an appropriation from the Iowa economic emergency
- 14 fund to the general fund is authorized for purposes of reducing
- 15 or preventing an overdraft on or deficit in the general fund.
- 16 The amount of the appropriation is the amount used from the
- 17 Iowa economic emergency fund for cash flow purposes and that
- 18 was not returned to the fund by the end of the fiscal year,
- 19 not to exceed 1 percent of the adjusted revenue estimate for
- 20 the fiscal year for which the appropriation is made. There
- 21 are two conditions that must be met before the appropriation
- 22 can be made. First, prior to the appropriation, the balance
- 23 of the general fund at the end of the fiscal year for which the
- 24 appropriation is made is negative. Second, the governor issues
- 25 an official proclamation and notifies the legislative fiscal
- 26 committee and the legislative services agency that the balance
- 27 of the general fund is negative and that the appropriation made
- 28 brings the general fund into balance.
- 29 The bill provides instead that moneys in the Iowa economic
- 30 emergency fund may be used to prevent or reduce an overdraft
- 31 on or deficit in the general fund, upon executive order by the
- 32 governor, in an amount not to exceed 1 percent of the adjusted
- 33 revenue estimate for the fiscal year for which the moneys
- 34 are spent. The bill prohibits moneys in the fund from being
- 35 used for this purpose until the governor issues an official

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- 1 proclamation and notifies the legislative fiscal committee and
- 2 the legislative services agency that the balance of the general
- 3 fund is negative and that an appropriation from the Iowa
- 4 economic emergency fund brings the general fund into balance or
- 5 reduces the deficit in the general fund.
- 6 The bill takes effect upon enactment.